

FILED

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF GEORGIA  
SAVANNAH DIVISION

2006 FEB 28 PM 3:20  
U.S. BANKRUPTCY COURT  
SAVANNAH, GA

In re:	)	Case No. 05-40129
	)	
FRIEDMAN'S INC., <i>et al.</i>	)	Chapter 11
	)	Jointly Administered
Debtors.	)	
	)	Hon. Lamar W. Davis, Jr.
	)	

**FINAL APPLICATION FOR ALLOWANCE OF COMPENSATION  
AND REIMBURSEMENT OF EXPENSES OF  
OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C., AS LEAD CO-COUNSEL  
TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Name of Applicant: Otterbourg, Steindler, Houston & Rosen, P.C.

Authorized to Provide Services to: Official Committee of Unsecured Creditors

Date of Retention Order: February 4, 2005

Period for which Compensation/  
Reimbursement is Sought: January 15, 2005<sup>1</sup> through December 11, 2005<sup>2</sup>

Compensation Sought as Actual,  
Reasonable and Necessary: \$3,254,642.70<sup>3</sup>

Expense Reimbursement Sought as

<sup>1</sup> On March 11, 2005, Applicant filed the Joint Application for Orders Authorizing Payment of Fees and Expenses Pursuant to Sections 503(b)(3)(D) and (4) of the Bankruptcy Code, in which Applicant requested the payment of fees in the amount of \$126,085.50 and expenses in the amount of \$4,644.69 incurred during the period from January 15, 2005 through and including January 25, 2005. An Order was entered by the Court on April 8, 2005 approving the payment of eighty percent (80%) of fees and one hundred percent (100%) expenses incurred during the period to Applicant. In accordance with this Court's Order dated September 22, 2005 approving Applicant's First Interim Fee Application, Applicant was paid 100% of fees for this period.

<sup>2</sup> Though the Effective Date of the Debtors' First Amended Joint Plan of Reorganization was December 9, 2005, OSH&R incurred fees and expenses through December 11, 2005, which were necessary for the closing and therefore are included within this Final Fee Application.

<sup>3</sup> OSH&R has agreed to a reduction of \$265,431.30 from its gross compensation in the aggregate amount of \$3,520,074.00, as reflected in the Debtors' Statement Regarding Fee Arrangements With Certain Retained Professionals for the Debtors and Official Committee of Unsecured Creditors, dated November 4, 2005. This amount was deducted from the holdback for OSH&R's fees in the amount of \$301,127.70 in connection with the period June 1, 2005 through and including September 30, 2005. The amount of \$35,696.40 is being held in escrow by the Debtors pending final Order of this Court.

Actual, Reasonable and Necessary: \$134,583.11

Compensation Paid During Period: \$3,255,839.87<sup>4</sup>

Expense Reimbursement Paid  
During Period: \$126,950.42

This is an: ☐ interim ☒ final application

The total time expended for fee application preparation and the corresponding compensation requested will be addressed on the next interim fee application.

Prior Interim Fee Applications Filed by Applicant: One

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<sup>4</sup> In connection with the confirmation of the Debtors' cases, OSH&R was paid the total sum of \$150,000.00 by wire transfer on December 12, 2005 for estimated fees and expenses incurred during the period December 1 through December 11, 2005. As OSH&R has advised the Debtors pursuant to letters dated December 19, 2005, January 27, 2006 and February 13, 2006, OSH&R has applied the total amount of \$110,341.43 against the amount received, leaving a balance of \$39,658.57, which is currently being held by OSH&R pending final Order of this Court. OSH&R intends to apply any fees and expenses incurred in connection with the preparation and filing of this Final Fee Application against the remaining balance.

UNITED STATES BANKRUPTCY COURT  
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	)	Jointly Administered
Debtors.	)	
	)	Hon. Lamar W. Davis, Jr.
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**FINAL APPLICATION FOR ALLOWANCE OF COMPENSATION  
AND REIMBURSEMENT OF EXPENSES OF  
OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C., AS LEAD CO-COUNSEL  
TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Otterbourg, Steindler, Houston & Rosen, P.C. ("OSH&R") as counsel to the Official Committee of Unsecured Creditors (the "Committee") of Friedman's Inc., et al. (the "Debtors"), files this Final Fee Application in accordance with the Guidelines of the Friedman's Inc. Joint Fee Review Committee With Respect to the Final Fee Application for Certain Professionals filed on January 9, 2006, and does respectfully represent and allege as follows:

1. The fees and disbursements recorded during the period from January 15, 2005 through and including December 11, 2005 (the "Entire Fee Period") amount to:

Fees <sup>5</sup> :	\$3,254,642.70
Disbursements:	\$134,583.11
<b>TOTAL</b>	<b>\$3,389,225.81</b>

<sup>5</sup> OSH&R has agreed to a reduction of \$265,431.30 from its gross compensation in the aggregate amount of \$3,520,074.00, as reflected in the Debtors' Statement Regarding Fee Arrangements With Certain Retained Professionals for the Debtors and Official Committee of Unsecured Creditors, dated November 4, 2005. This amount was deducted from the holdback for OSH&R's fees in the amount of \$301,127.70 in connection with the period June 1, 2005 through and including September 30, 2005. The amount of \$35,696.40 is being held in escrow by the Debtors pending final Order of this Court.

2. The fees and disbursements recorded during the period from June 1, 2005 through and including December 11, 2005 (the "Final Fee Period") amount to:

Fees:	\$2,060,829.50
Disbursements:	\$90,968.53
<b>TOTAL</b>	<b>\$2,151,798.03</b>

3. The professionals and paraprofessionals providing services, their respective billing rates and the aggregate hours spent by each professional and paraprofessional during the Final Fee Period is set forth on a schedule of services by professionals annexed hereto as Exhibit "A".

4. A schedule of services performed by project category and a detailed computer printout of the services rendered during the Final Fee Period are annexed hereto as Exhibit "B".

5. A schedule of services performed by project category during the Entire Fee Period is annexed hereto as Exhibit "C".

6. A schedule of disbursements and a detailed computer printout of the expenses incurred during the Final Fee Period are annexed hereto as Exhibit "D".

7. A schedule of disbursements incurred during the Entire Fee Period is annexed hereto as Exhibit "E".

8. The attorneys and paraprofessionals of OSH&R bill all of their time expended in connection with a particular matter in six (6) minute intervals. The time recorded to matters is thereafter billed to clients at hourly rates, which are generally the same for all clients. Disbursements, as they are recorded in our computer records, are thereafter billed to each client. Photocopying and telecopying disbursement detail charges have been modified in the attached disbursement detail to conform to the limits as set forth in the United States Trustee's Guidelines

for Reviewing Applications for Compensation and Reimbursement of Expenses and the Proposed Protocol for Joint Fee Review Committee.

9. In connection with the confirmation of the Debtors' cases, OSH&R was paid the total sum of \$150,000.00 by wire transfer on December 12, 2005 for estimated fees and expenses incurred during the period December 1 through December 9, 2005. OSH&R incurred additional fees and expenses through December 11, 2005, which related to the Debtors' Cases and therefore are included within this Final Fee Application. As OSH&R has advised the Debtors pursuant to letters dated December 19, 2005, January 27, 2006 and February 13, 2006, OSH&R has applied the total amount of \$110,341.43 against the amount received, leaving a balance of \$39,658.57, which is currently being held by OSH&R pending final Order of this Court. OSH&R intends to apply any fees and expenses incurred in connection with the preparation and filing of this Final Fee Application against the remaining balance.

WHEREFORE, Applicant respectfully requests a final award of compensation for professional services rendered as counsel to the Committee during the Entire Fee Period in the aggregate sum of \$3,254,642.70 (which amount is net of the voluntary fee reduction of \$265,431.30 from aggregate fees totaling \$3,520,074.00) together with reimbursement of disbursements in the amount of \$134,583.11; and for such other and further relief as this Court deems just and proper.

Dated: New York, New York  
February 24, 2006

OTTERBOURG, STEINDLER, HOUSTON &  
ROSEN, P.C.

By: 

Glenn B. Rice (GR-7605)

A Member of the Firm

Attorneys for the Official Committee of Unsecured  
Creditors of Friedman's, Inc., *et al.*

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**ATTACHMENTS TO APPLICATION ARE EXHIBITS THAT ARE VOLUMINOUS.  
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